Part-timers drive UPS strike

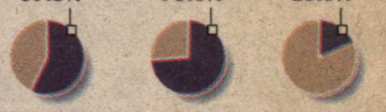
The dispute with the Teamsters centers on a work group companies increasingly rely on in a service economy. The impact could be felt for years to come.

UPS relies on part-time labor

About 190,000 UPS union workers went on strike, Monday when negotiations broke down. One of the major concerns of Teamsters was the number of part-time workers UPS employs.

The percentage of workers who are defined as part-time in...

...UPS, nationwide*:	...UPS, in Illinois:	...the U.S. labor force:
57.3%	73.6%	18.3%



Sources: U.S. Department of Labor, UPS *Estimate Chicago Tribune

By John Schmeltzer
TRIBUNE STAFF WRITER

The strike at United Parcel Service, the nation's biggest against a single company in 14 years, is about more than undelivered packages and lost business.

At its core, the strike Monday by 190,000 Teamsters against UPS is about a group of workers who are booming in numbers as America moves to a more service-oriented economy.

They are part-time workers.

It is these employees, who comprise two-thirds of UPS' work force, who are at the center of a labor impasse at a company that embodies the new service economy.

The union wants to convert thousands of its part-time workers into full-time employees, and the company is balking at the union's demands.

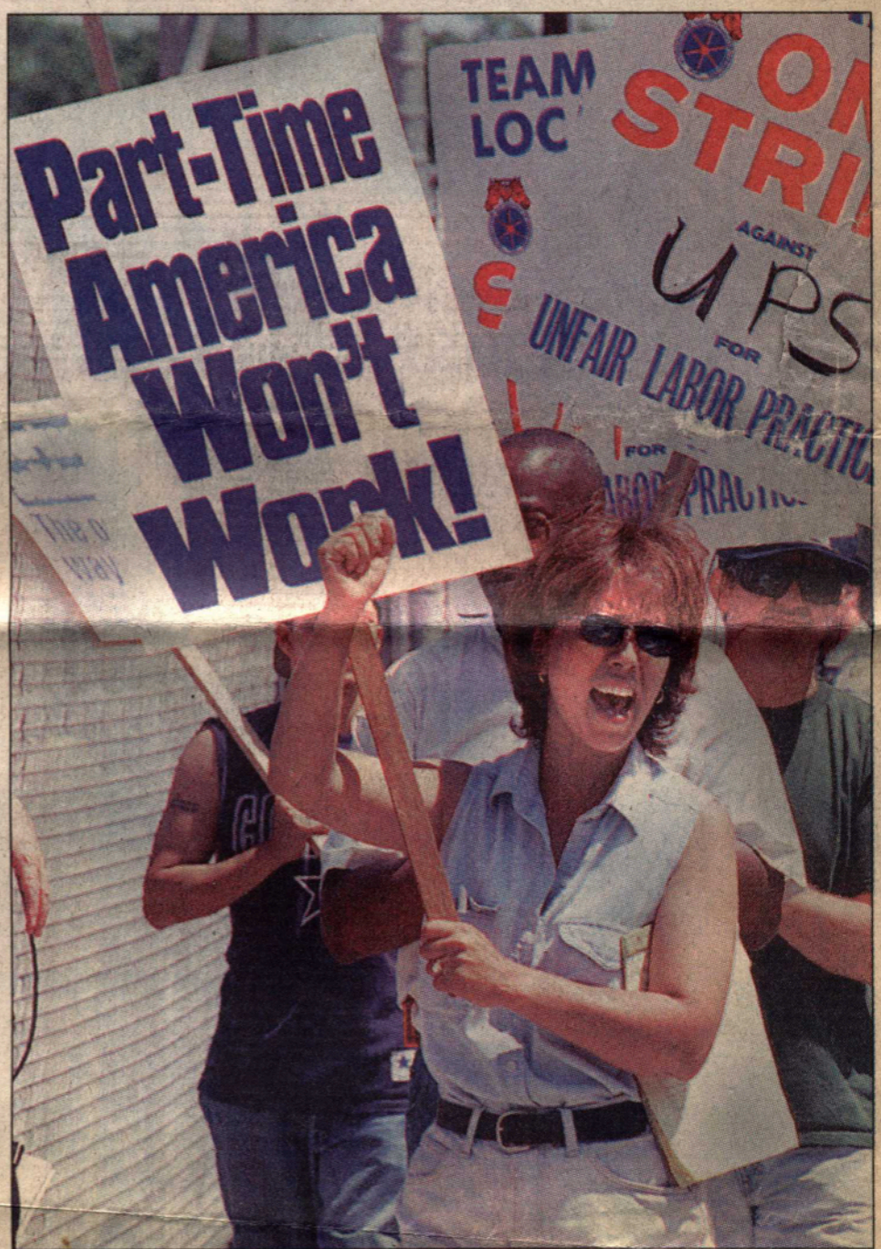
The outcome of the UPS strike will be closely watched by employers, who have become increasingly reliant on part-time workers, and by part-timers, who may feel emboldened if the union wins significant concessions.

"This is same kind of issue that faced Microsoft Corp. in the use of its contract workers," said Fred Easton, associate professor of Operations Management at Syracuse University, noting that a federal appellate court ordered Microsoft to begin offering stock options to its contract workers as if they were full-time employees.

"The UPS settlement will be just as important," Easton said.

On Monday, the first day of the strike, however, neither the Teamsters nor UPS

SEE UPS, PAGE 9



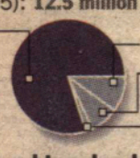
Tribune photo by Charles Osgood

Striking workers picket near a UPS facility at 1400 S. Jefferson St. The Teamsters union and the company hardened their positions Monday.

The overnight market

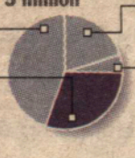
Before the strike, UPS dominated the ground delivery market. Market shares, in percent of total number of parcels delivered per day:

Standard ground delivery
Total (1995): **12.5 million**



Note: Figures are the latest available.

Overnight and two-day delivery
Total (1996): **5 million**



Source: SJ Consulting Group

COMPLETE COVERAGE IN BUSINESS

Scramble begins
Catalog companies and others seek alternative ways to deliver products.

Raise and 'respect'
Part-time UPS employees are looking for more money and full-time work.

The company's risk
Strike could anger customers and drive them to other shippers.

...rkers with similar
...Schmitt said.
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UPS employees

Contract negotiations between UPS and Teamsters broke down over issues such as enhancing the employee benefit package and creating more full-time positions for part-time workers.

FULL-TIME*	PART-TIME*	EXPLANATION
JOBS		
Majority of jobs are package drivers and tractor-trailer drivers.	Majority of jobs are package handlers.	There are no federal laws regulating the definition of part-time or full-time employment; that is a decision made by each company.
HOURS		
25 hours or more per week.	15 to 25 hours per week.	The U.S. Labor Department defines part-time as working between one and 34 hours per week and full time as working more than 34 hours per week .
WAGES		
Average wage: **Package driver:** $20/hour **Tractor-trailer driver:** $20.50/hour	**Average wage:** $9.63/hour	The Economic Policy Institute calculates the average hourly wage of a male part-time laborer to be $6.72; a male full-time laborer, $9.24. The minimum wage is $4.75 per hour.
BENEFITS		
Benefits include health insurance, dependent coverage, retirement plan, vacations and holidays.	Workers are offered the same package as full-time workers.	The Economic Policy Institute calculates that 80% of full-time workers and 47% of part-time workers have a health plan. 26% of part-time workers have no benefit package.

* Teamster represented Note: Economic Policy Institute figures from 1994

Source: U.S. Department of Labor, UPS, Teamsters, Economic Policy Institute Chicago Tribune

UPS

CONTINUED FROM PAGE 1

were talking settlement. Both sides hardened their positions, and no negotiations were even scheduled.

An effort Monday by privately held, Atlanta-based UPS to get President Clinton to intervene in the strike was flatly rejected by the White House.

Weighed by the number of workers on strike, the UPS work stoppage is the largest against a single company since workers struck AT&T in 1983.

Across the country, thousands of UPS employees walked picket lines and left the delivery giant a shell of its former self. Businesses who normally use UPS shipping services said they were shifting their deliveries to the U.S. Postal Service or other carriers.

While the strike hit small businesses the hardest Monday, many large firms said they can get by for a few days with current inventories.

As businesses pondered the coming days, however, many employers and part-time workers will be thinking about the impact this strike could have for years to come.

Since 1968, the number of part-time workers has nearly tripled, to 23.2 million people, according to the Bureau of Labor Statistics. One out of every five of them is considered to be working part time involuntarily, the bureau said.

"The number of part-time workers has grown enormously in the Chicago area in the past few years," said Paul Kleppner, director of the office of social policy research at Northern Illinois University.

"Fifteen years ago, the work force at Sears (Hoffman Estates-based Sears, Roebuck and Co.) was 80 percent full time. Four years ago, it was 80 percent part time," said Kleppner.

UPS isn't alone in its desire to use part-time workers.

Most retailers, including grocery stores, department stores and specialty stores, all are staffed with a preponderance of part-time workers. Increasingly, a company without a cadre of part-timers is an oddity.

For UPS sorters such as Rosalind Williams, 34, who's employed at the Hodgkins UPS Midwest sorting center, working part time means more than just a wage half that of a full-time worker.

The mother of two says the lack of a full-time job makes it difficult—if not impossible—to secure loans.

"About two months ago I was trying to buy a house," she said. "And everything was fine until we got to the employment section and then they said, nope, you have to have a full-time job."

The average full-time worker at UPS makes $20.50 an hour. The average part-time employee, like Williams, makes less than half that, $9.63. All employees get virtually the same benefits at UPS.

John Schmitt, an economist with the labor-funded Economic Policy Institute in Washington, said the feelings Williams was expressing are no different than those felt by temporary workers, contract workers and even independent contractors.

Together with part-time workers, these contingent workers now make up more than 35 percent of the nation's work force.

"That's why the UPS strike has such resonance" Schmitt said. "A lot more people are working part time than just part-time workers.

"If a company like UPS, a textbook example of the new economy, can't provide its part-time workers with a decent living, then it really is a bad signal for the future and the new economy," Schmitt said.

When Teamsters walked off their jobs late Sunday, it was the first national strike in the 90-year history of UPS, which delivers about 12 million packages daily, or 3.15 billion annually, four times as much as all its competitors combined.

UPS employs 302,000 people, of which 190,000 are Teamsters. Of those, 111,000 are part-time workers.

"Whatever else people might say about part-time workers, they make lower wages, have much less in benefits and have far less job security than workers with simila full-time work," Schmitt said.

Syracuse's Easton said that fro a company's point of view, how ever, part-time workers wil become increasingly important.

"There are numerous opera tional advantages to part-timers," he said. "They allow companies t adjust for capacity.

"This allows companies to be lean and mean and it gives them a just-in-time work force," Easton said.

Rick Berman, executive director of the non-profit Employment Policies Institute in Washington, said the change from an economy supported by large numbers of full-time workers to one with an increasing number of part-timers is just another aspect of the nation's change from a manufacturing economy.

"In a service economy, people don't demand services on a uniform basis throughout the day," Berman said.

"As this sector grows and as businesses become more tuned into the different consumption patterns, they will need people for peak periods and then be able to bring in other people for the nex peak.

"This is driven by employe wanting options as much as it employers wanting to accomm date a different culture," Bern said.

Tribune reporter Evan O contributed to this report.

Some towns get big hike in realty tax

By Mark Brown
Cook County Reporter

Chicagoans will see a property tax increase of about 2.7 percent when their bills arrive in the mail over the next few days, but taxpayers in the Lemont and Riverside school districts should prepare for a jolt.

Owners of real estate in Burr Ridge, Indian Head Park and Sandridge Elementary School District 172 in Lynwood also will feel the bite.

The Cook County clerk's office on Wednesday released the final property tax rates for the county's 850 taxing bodies, providing the last piece to calculate this year's tax bills.

Those government agencies are asking Cook County property-tax payers to fork over a record $7 billion. Of course, that's a record that gets erased every year.

The clerk's office calculated that a Chicagoan with a home valued at $150,000 by the assessor will pay $112.40 more in property taxes this year than last year. Taxes paid this year are for 1996.

As in each of the last two years, the tax bills

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Sox win 4th in a row

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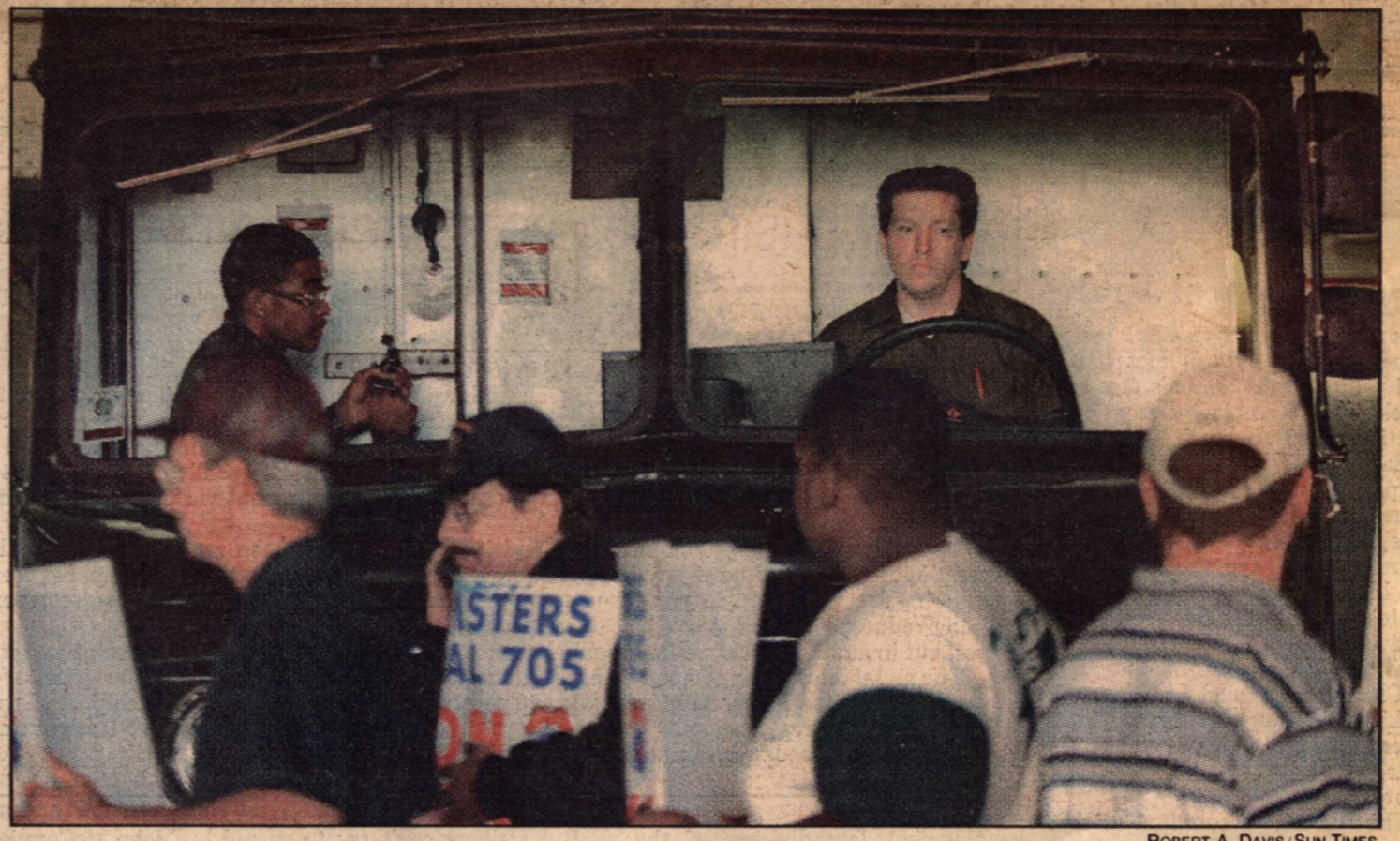

Robert A. Davis/Sun-Times

Striking Teamsters block deliveries Wednesday to the Quaker Oats building, 321 N. Clark, by marching in front of a UPS truck driven by accountant Brian Sweeney, accompanied by his helper Duane Lamb, a UPS supervisor.

Strikers block UPS deliveries

Chuck McWhinnie and Jim Casey
Staff Reporters

Striking UPS workers in Chicago took their protest from the picket line to the customer Wednesday, while the company and union agreed to resume talks today.

Picketers urged building managers in River North and the Loop to refuse deliveries, and confrontations with UPS drivers led to the arrest of a Teamster Local 705 representative.

Richard J. De Vries, 48, was charged with battery for allegedly pushing a UPS driver and threatening to "kick his - - -," said a complaint filed by UPS driver John Gilbert. Police said De Vries and

Turn to next page

sexually assaulted. experts agree the most vulnerable people are said: 'No thanks.' "

UPS

Continued from previous page

other pickets at 320 S. Clark "were impeding [the] flow of foot traffic and yelling in the victim's face and blocking UPS employees from conducting their business."

Earlier, De Vries and his group of 11 pickets tried to persuade River North building managers not to accept UPS deliveries. Most managers expressed sympathy, but only the IBM Building, 330 N. Wabash, posted a sign reading "No! UPS Deliveries Here."

At the Quaker Oats building, 321 N. Clark, pickets caught a UPS truck making a delivery on lower Kinzie Street. The group prevented the vehicle from leaving by marching in a tight circle in front of it.

The driver, accountant Brian Sweeney, called police, who ordered the pickets to move.

"Under the National Labor Relations Act, unions are allowed to request that customers not do business with UPS," said Chris Gangemi, chairman of the labor and employment law division of the Winston & Strawn law firm.

"They could go to IBM and say we would prefer that you not do business, and if you do business, we will say our members shouldn't buy IBM computers."

But strikers can't try to spread the labor pressure by specifically asking IBM employees not to handle UPS packages; Gangemi said.

Today's national talks were billed as a discussion, not negotiations, indicating the sides remain far apart.

John McCormick, president of Local 705, said it is seeking to have 1,400 to 1,500 part-time jobs changed to full-time positions. Of the local's 11,500 workers, 8,000 are part-time.

Contributing: *Francine Knowles, Associated Press*

Small businesses here forced to consider layoffs

BY FRANCINE KNOWLES
BUSINESS REPORTER

With the Teamsters strike against UPS in its 11th day, small businesses here say they're going to have to lay off workers if the dispute continues much longer.

"We can't ship anything," said Sandra Lance, president of Elgin-based Geneva Manufacturing Co., which employs 30 people.

"When you can't ship, you can't bill, and if you can't bill, you don't have any cash flow to keep ordering materials, . . . to pay labor costs," Lance said Wednesday. "We haven't had to lay people off yet, but in another week, we'll probably have to."

The metal fabricating company makes automotive parts, and United Parcel Service handled 90 percent of its ground delivery orders.

Lance has turned to alternative shippers, including the U.S. Postal Service. But the post office can't handle many heavy products.

"We're continuing to build orders, but we're running out of room," she said.

The story is similar at Accurate Products, a Chicago-based maker and distributor of molded rubber items used in the automotive and electronics industries. Typically, 35 percent to 40 percent of its shipments went via UPS, owner Timothy Satherlie said.

"We've been running packages all over trying to get them out with Federal Express, through the mail," said Satherlie, whose company employs 22 people.

"It's caused a great disruption internally. People aren't doing their regular jobs. We've lost some orders because we can't ship. . . . I would assume by the end of the week . . . I might have to cut back four to five people."

Jackpot: 1 million

Powerball
13 17 31 36 41
Powerball No. 19
Jackpot: $8 million

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Delivery talks stalled

Teamsters strike a hassle for UPS' customers, rivals

By Francine Knowles
Business Reporter

The first nationwide strike against package delivery giant UPS brought its business to a crawl Monday, swamped competitors and created headaches for customers.

There was no sign of a quick settlement, and the situation was expected to worsen if the strike by the Teamsters union becomes a prolonged affair.

The union represents about 190,000 workers, including nearly 16,000 in the Chicago area, at the world's largest ground transportation company.

United Parcel Service of America Inc. said it was standing firm on its "last, best and final" contract offer. The union said it was prepared to do "whatever it takes to get a fair contract."

President Clinton said he had no plans to intervene at this time and urged both sides to return to the bargaining table. No new talks were scheduled.

INSIDE

- Lobsters are first victims
- Stakes are high for Teamsters' Carey — Page 2
- UPS' humble origin — Page 6

The strike has a far-reaching impact: UPS moves 12 million packages and documents a day, more than 80 percent of the total transported by the surface delivery industry. The business UPS handles is the equivalent of 6 percent of the nation's gross domestic product—the value of all goods and services produced in the nation.

The company said about 3,000 Teamsters crossed the picket line Monday. About 75,000 nonunion and management employees also

Turn to next page

Brian Jackson/Sun-Times

A truck leaves the UPS facility at 1400 S. Jefferson on Monday. Four people were arrested, including a woman who allegedly kicked a UPS delivery truck, according to police.

MSI pays to play

Prosecutors say gifts gave firm access

By Dave McKinney
Sun-Times Springfield Bureau

SPRINGFIELD—Rather than skimp on Christmas gifts for prominent state officials in 1993, Management Services of Illinois shipped them steak and lobster packages worth $5,000, in a move the company's indicted owner compared Monday to "playing in the big leagues."

William Ladd also told jurors in MSI's federal bribery trial that Gov. Edgar asked company officials at a 1994 fund-raising dinner how to cope with negative publicity involving the Department of Children and Family Services.

■ Details, Page 10

William Ladd: "If you're going to be playing in the big leagues, you need to give big-league gifts."

City entertains plan for 2 Disney projects

By Fran Spielman
City Hall Reporter

Disney wants to make Chicago the breeding ground for two new entertainment concepts—a high-tech sports bar and a virtual reality theme park, city officials disclosed Monday.

Both projects would be in Chicago's already bustling River North area. The theme park, known as Disney Quest, would be built on Rush Street across from the Marriott Hotel on land controlled by developer John Buck.

A precise location for the ESPN sports bar and restaurant—complete with different floors for different sports—has not been chosen, according to City Hall sources.

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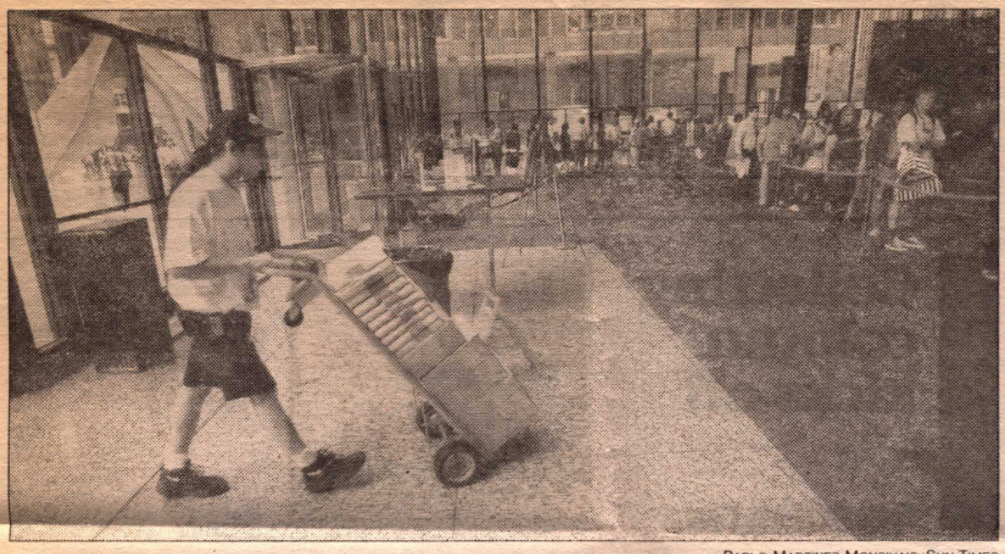

PABLO MARTINEZ MONSIVAIS/SUN-TIMES

Packages are taken on a dolly through the Loop post office, 230 S. Dearborn, on Monday.

Strike is a gamble for union president

BY FRANCINE KNOWLES
BUSINESS REPORTER

As the Teamsters union engages in one of the biggest strikes in its history, controversy surrounds Teamsters President Ronald Carey, raising the stakes in a battle that could tighten his grip on the *reins of the labor organization.*

The strike at UPS comes amid federal inquiries into contributions to Carey's campaign last year for union president. He won re-election by a narrow margin against James P. Hoffa, whose supporters have called for a new election.

Carey, who took office in 1991 after winning the Teamsters' first federally supervised direct election, has been roundly criticized by Hoffa supporters for the union's last United Parcel Service Inc. contract.

He can't afford to appear weak on this contract and to back down on the issue of converting part-time workers into full-timers. Part-time employees now make up nearly 60 percent of UPS' unionized work force.

"Carey has to confront a strong national company while facing a lot of internal squabbles that haven't gone away," said Robert Bruno, an assistant labor professor at the University of Illinois. "That makes it difficult."

■ UPS in the spotlight; Page 6.
■ Byrne on sharing; Page 23.

Meanwhile, a strike could cost the Teamsters $10 million a week. Union representatives wouldn't say how much is in its strike fund, but the union has only about $20 million of its own to spend, said James C. Thomas Jr., a labor lawyer in Washington.

If the strike is settled quickly and the union gets most of what it wants, that undoubtedly will strengthen Carey's base of support, experts say. If it doesn't, "some will say, 'We took on this big strike, used up resources and didn't get that much,' " Bruno said.

But labor experts insist Carey, a former UPS staffer, has positioned the union well for the strike.

"The union went about this very strategically," said Cornell University labor professor Kate Bronfenbrenner. "They have spent years preparing."

Contributing: *Gannett News Service*

UPS

Continued from previous page

were at work Monday.

Forced to scale back operations, the company which normally picks up 1.46 million shipments at automatic pickup points daily, estimated it had picked up only 26,000 by Monday afternoon. With revenue last year of $22.4 billion, UPS will lose about $90 million each business day during the strike.

The Atlanta-based shipper said it was focusing on emergency shipments, such as medical supplies, pharmaceuticals and blood supplies; international business and air express shipments. Beyond that, it was not accepting any new business.

Local hospitals, pharmaceutical companies and other medical suppliers confirmed that their customers still were receiving medication because they had made emergency arrangements with other delivery services or because UPS management handled Monday's deliveries. But there were worries.

Kirk Horvath, manager of Mail Boxes Etc. on Armitage, which does most of its shipments through UPS, said he was diverting most of his business to Federal Express Corp.

"But they aren't guranteeing services because they're being overloaded," he said.

Federal Express, which during ordinary business days handles about 3 million packages a day, was nearing its peak Christmas volume of about 4 million a day. It is serving current customers first and not opening accounts for any new customers.

Meanwhile, the U.S. Postal Service set a limit of four packages on individuals. Postal officials said, however, that arrangements could be made at post offices to ship more packages.

In Chicago, the postal workers' union said customers would be affected because postal employees were going to be stretched thin to handle mail that usually would go via UPS.

The Teamsters struck Sunday at 11 p.m. Chicago time after being unable to reach agreement on key issues of subcontracting, a company plan to remove UPS from the union's multi-employer pension plan, job safety and the number of full-time jobs. About 60 percent of the company's unionized work force are part-timers.

Contributing: *Maureen O'Donnell, Phillip J. O'Connor, Yochi Dreazen, Dan Rozek, Bloomberg News and Associated Press.*

Lobsters take the heat when packages start to pile up

BY MARY ELLEN PODMOLIK
BUSINESS REPORTER

The Teamsters strike against United Parcel Service has claimed its first victims: lobsters.

Chicago-based Lobster Gram was awaiting a Federal Express shipment of 25 lobsters Friday for a catalog photo shoot. The lobsters showed up Saturday—dead—the result of a FedEx system already overburdened even before UPS workers went on strike late Sunday.

Also dead were lobsters headed for customers' steamer pots around the country. Monday, Lobster Gram canceled all shipments for the week, even though it uses both FedEx and UPS.

"Last Friday and Saturday were a nightmare," said Lou Mishoulam, vice president of operations. "We're talking tens of thousands of dollars that it's going to hurt us."

For the mail-order industry, which the Direct Marketing Association says will have $80 billion in revenues this year, the timing of the UPS strike could have been worse. It could have been the weeks that precede Christmas.

As it is, companies scrambled Monday to put contingency plans into place, but knew that despite their best efforts, the surface delivery industry can't accommodate the 12 million packages handled daily by UPS.

"We're explaining to our customers that it's out of our control," said Greg Zeman, president of CDW Computer Centers in Buffalo Grove, which typically ships 5,000 boxes via UPS daily.

Spiegel Inc., based in Downers Grove, chose not to ship any orders Monday and will decide today whether to hold back shipments.

The catalog industry no longer relies exclusively on UPS to handle its goods, but a backlog already is in the system. Even before the strike began, FedEx canceled its money-back guarantee.

QVC, which relies more on the U.S. Postal Service than UPS, was informing its viewers of the strike on an hourly basis Monday.

At Lobster Gram, employees Monday night were heading to O'Hare Airport to meet a plane. They had another 25 live lobsters sitting on a United Airlines flight—at four times the original cost—so they could take the pictures for their catalog.

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■ *United Parcel Service, now being struck by the Teamsters, is known for its dependable—if not flashy—service. Staff reporter* ***Bryan Smith*** *looks at the nation's largest package delivery company, which isn't used to being the focus of attention.*

Spotlight shines on UPS

You've seen them for years, of course, the plain brown trucks with the flat gold lettering. The drivers with their plain matching uniforms, clutching clipboards.

They're known in every town, every burg, as familiar and dependable as a lunch pail, as recognizable as golden arches.

They roll through city streets and suburbs, ubiquitous but anonymous, benevolently ignored in the way of mailmen and telephone operators; necessary, but hardly noticed.

Quietly, they've helped build one of the country's most successful businesses—a $22.5 billion corporate titan that delivers 12 million parcels and documents a day, employs 339,000 people and serves more than 1.45 million customers.

Quietly until now.

Suddenly, United Parcel Service finds itself in the spotlight of its first national strike. The workers, who are controlled down to which finger they wear their key rings on and how long their hair is, are not happy.

"It's very uncomfortable," says Jeffrey Sonnenfeld, professor at the Goizeuta Business School at Emory University. "This is a company that doesn't sensationalize its accomplishments. To them it's unseemly."

PABLO MARTINEZ MONSIVAIS/SUN-TIMES

A United Parcel Service worker makes deliveries Monday on South La Salle in Chicago's financial district.

Suddenly, however, the publicity-shy delivery giant finds itself facing the very public question: Who are these guys?

They weren't UPS on Aug. 28, 1907. There were no brown trucks or brown uniforms. Just James Casey, $100 and the American Message Service in Seattle. It started with a few teenagers who delivered hot meals and messages. The service quickly expanded to delivery of packages, most from department stores to their customers.

To meet its goal of delivering to every address in the United States, the company had to reach every place the U.S. Postal Service could. It took 30 years, but it did it.

And while it did, Casey planted the seeds of what would later come to be known as a tough, but generous, place to work: "Best Service and Lowest Rates" was and is the motto, and Casey felt the best way to achieve it was to control delivery workers through strict discipline. Shoes were shined, hair was trimmed, smiles were expected.

> *"UPS has had a reputation of being a very good company to work for, but a very tough company to work for."*
> **—Harley Shaiken, University of California**

"It was a cross between the U.S. Marine Corps and a Quaker meeting," Sonnenfeld says.

In the 1920s and '30s, the company expanded to Oakland, Calif., and Los Angeles, but not before its employees joined the Teamsters union in 1916 and began what has been described by some labor history experts as an "up and down relationship."

Still, the company flourished. By the end of the '30s, it adopted its new name: "United" for its consolidated shipments and "Service" as a nod to its bread and butter. Brown paint now covered its vans, selected because it was "neat, dignified and professional," according to company officials.

UPS took to the air first in 1929, but the Great Depression grounded that effort. It took wing again in the 1950s, but it wasn't until FedEx and other overnight delivery services arrived in the 1970s that it realized it had to respond with its own expanded air service.

Packages traveled first with passenger flights, then by its own planes. Today, UPS owns 197 aircraft and charters another 302. It serves more than 200 countries and territories and, eclipsing even the U.S. Postal Service, every address in the United States.

Now based in Atlanta, its 12 million daily deliveries by far outstrip any competitor, including FedEx.

Adding to the astounding growth of UPS—it has nearly tripled revenues in the past decade and a half—is the move toward increased use of credit card catalog purchases. Although UPS officials say they don't know how much catalog orders account for, they call it a significant part of their business.

Along the way, the shipper pioneered using "hubs," sending packages to major cities, where they are picked up by drivers and taken to more rural areas.

UPS ascribes most, if not all, of its success to its front-line workers—and those workers, for the most part, have returned the loyalty, with some exceptions.

The company has faced local strikes through the years—including a 1967 strike here, but only one national work stoppage—for one day in 1994 over safety concerns. UPS announced it was raising its 70-pound package limit to over 100 pounds. UPS won, and the company faded back into its role as a comfortable quiet giant.

It has maintained its tough standards for workers—requirements some call a quaint anachronism; others, oppressive.

"It's a tough place to work," says Teamsters spokesman Rand Wilson. "They try to control everything down to how you get into the package car, to how you're supposed to wear your keys on your pinky finger, to beard length. There are clothing and appearance standards. It's very militaristic."

Indeed, UPS has been known for its high level of worker control since its inception. Notices reading "Smile? Hair cut? Clothes pressed? Shoes shined? Shaved?" are not uncommon in washrooms. The time drivers spend at stops has been monitored to the minute.

"UPS has had a reputation of being a very good company to work for, but a very tough company to work for," says Harley Shaiken, professor of industrial labor relations at the University of California at Berkley. "But there are very few places today that with a high school diploma you can earn $20 an hour and have a very generous benefits package."

UPS spokeswoman Susan Rosenburg says the company has loosened up—a little—trying to give drivers more flexibility in how much time they spend at stops, giving them more sales responsibility.

Still, she says, "You don't get rid of what's tried and true. It's the hallmark of what's made us successful."

And has inspired loyalty.

Virtually all of the company's managers have been hired from within. And since the shipper has allowed employees to buy stock in the firm it has become the largest shareholder-owned company in the world. The company has launched programs to hire workers off of welfare, including in Chicago.

And its executives, even critics admit, lead by example, shunning flashy offices for plain, small spaces and eating with the rank-and-file in company cafeterias.

Sonnenfeld marveled that at the height of media attention, the company has only a handful of public relations people handling the crisis.

"It's a lost piece of Americana," says Sonnenfeld, who worked as a UPS driver in 1987 as part of a Harvard Business School project. "They're the Boy Scouts of corporate America."

Now union leaders say they would like the company to be prepared to deliver more full-time jobs, use less sub-contracting and address pension concerns.

Until then, the spotlight is on.

UNITED PARCEL SERVICE

- Headquarters: Atlanta.
- Prestrike employees: 338,000 worldwide, including 302,000 in United States.
- Strikers: 190,000 Teamsters (16,000 in Chicago area).
- 1996 revenue: $22.4 billion.
- Daily volume: 12 million parcels and documents, including 565,000 in Chicago.
- Fleet: 157,000 vehicles, 197 jet aircraft and 302 chartered aircraft.
- Information: (800) 742-5877 or *www.ups.com.*

CONSUMER TIPS

- Ask retailers if UPS is their primary carrier. If so, ask what arrangements have been made during the strike.
- Ask how long delivery should take.
- If possible, wait to place an order. Let retailers develop alternative shipping arrangements.

COMPETITORS

UPS competitors have little ability to take up the slack, but here are their plans:

- FEDEX: Cutoff times at drop-off locations are two hours earlier than usual. Accepting no new accounts.
- EMERY WORLDWIDE: Will try to accommodate business-to-business delivery of packages weighing at least 5 pounds.
- RPS: Accepting no new customers.
- AIRBORNE EXPRESS: Accepting additional packages from its clients, but extra packages will go by ground.

U.S. POSTAL SERVICE

- Limiting parcels accepted at local post offices to four per customer visit.
- Customers with more than four packages are being directed to designated drop-off locations and may need appointments. Call (800) 485-8727 between 7 a.m. and 7 p.m. Chicago time or check *www.usps.gov.*
- Drop-off points for people with more than four packages are: 11560 W. Irving Park Road, (773) 894-1077; 433 W. Harrison, (312) 983-7608; Rockford processing center at 5225 Harrison, (815) 229-4825; Carol Stream processing center, 500 E. Fullerton Ave. (630) 260-5195; Palatine, 1300 E. Northwest Highway, (847) 590-6600 or 6673; Fox Valley processing center, 3900 Gabrielle Lane, Aurora, (630) 978-4290; South Suburban processing center, 6801 W. 73rd St., Bedford Park, (708) 563-7400.

Associated Press and Sun-Times staff

UPS strike hits Shedd's exhibit

Undelivered part snags high-tech underwater view

BY DANIELLE SKODA
STAFF REPORTER

The UPS strike snagged Friday's rendezvous between Chicago's John G. Shedd Aquarium and Springfield's Illinois State Fair.

A technology exhibit at the fair was to provide an interactive connection between fairgoers and a diver in Shedd's coral reef exhibit. The idea was for fair visitors to have an underwater view of the diver, and to ask him questions.

But that's not the way it went during Friday's launch of the exhibit.

A waterproofing case for the camera didn't arrive as scheduled—because of the UPS strike, said Jonathan Hoganson, a spokesman for Ameritech, which is sponsoring the exhibit.

The problem was solved later in the day, when a Shedd staff member was dispatched to get the part.

However, fairgoers on Friday could only see the exhibit from outside the tank. Underwater images will be available starting today.

The connection is possible because of a high-speed fiber optic phone line link established by Ameritech for the fair, which runs through Aug. 17.

Fair visitors will not only be allowed to see the tank diver, but also ask the diver questions while he is in the tank.

The Shedd diver will be in the coral reef tank for a 20-minute presentation and questions at 11 a.m., 2 p.m. and 3 p.m.

In between dives, Bert Vescolani, Shedd's director of education, will provide snippets about coral reef conservation to Springfield.

BOB BLACK/SUN-TIMES

Dave Hanna, a volunteer at the Shedd Aquarium, feeds the aquatic creatures in a large tank. The aquarium is to send underwater images of exhibits to viewers at the Illinois State Fair in Springfield.

Standoff as UPS strike goes on; Page 30.

"This special link with the Shedd Aquarium is a great example of how technology is allowing us to bring the world into our homes through the computer," said Lt. Gov. Bob Kustra, whose office does the fair's technology exhibit.

Police shut W. Rogers Park apar

BY BRENDA WARNER ROTZOLL
NEIGHBORHOODS REPORTER

Police started vacating a West Rogers Park apartment building that they said was a center of gang and drug activity for more than two years.

Patricia B. Holmes, chief assistant corporation counsel, said her department went to Housing Court on Friday seeking an emergency order to vacate the seven-unit building at 6335 N. Bell after building inspectors found 46 code violations Tuesday.

Police Cmdr. Thomas Byrne of the Rogers Park District said officers had made 128 gang and narcotics arrests in and around the building between July, 1995, and April, 1997. He said police and community leaders tried for two years to get the owner, whom he identified as Amin Mallick of Streeterville, to meet with them and make repairs.

"We asked him to fix his building so that people who don't live there can't get in and out, and the gang members [illegible] hanging in front on the [illegible] ly refused."

"They found th[illegible] stairways in disre[illegible] falling down and[illegible] abandoned cars. T[illegible] fire hazard. Peopl[illegible] with extension co[illegible] sockets," Byrne sa[illegible]

Byrne said wh[illegible] analysis [illegible] the Be[illegible]

Poll: 55% support strikers at UPS

By David Field
USA TODAY

The Teamsters Union has the backing of 55% of Americans in its strike against the United Parcel Service, a USA TODAY/CNN/Gallup Poll out Thursday shows.

Only 27% back the company in the strike, which enters its second weekend today.

Talks continued late Thursday and Labor Department spokeswoman Susan Herman described them as "substantive and detailed.

"We're prepared to talk about all issues informally, but no new formal offer is on the table," UPS CEO James Kelly told USA TODAY.

Union spokesman Steve Trossman said it was "glad to see any sign that the company is going to get to the table and actually seriously negotiate."

The strike began Aug. 4 when almost 185,000 Teamster drivers, loaders, sorters and packers walked off their jobs in a contract dispute over wages, pensions and part-time jobs.

As many as 28% of Americans say the strike is inconveniencing them, the poll shows.

In Hopkins, Minn., Ward Johnson's four-person pet-food firm is spending about 50% more to ship to customers by the U.S. Postal Service.

"We're worried that once a customer puts an animal . . . on a different diet, it's hard to get the animal back," he says.

In Snellville, Ga., Wanda Roland says she's putting off shipping orders from her three-employee Georgia Gifts and Memories souvenir firm.

"I have sympathy with the union . . . but I wish they'd settle soon," she says.

Mail-order companies say the strike has caused a drop in orders and will seriously hurt profits if it lasts into next week.

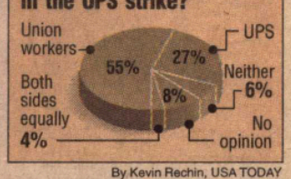
Public support for the Teamsters comes even though 31% disapprove of unions.

The poll found that 75% believe that UPS and the workers should settle the dispute by themselves; only 21% favor federal intervention.

But 65% agree that the union should let its members vote on the contract offer.

The poll of 819 adults was conducted Wednesday and Thursday. It has a margin of error of plus or minus three percentage points.

Which side do you favor in the UPS strike?



By Kevin Rechin, USA TODAY

▶ Taking it in stride, **6A**
▶ Key time for labor, **1B**
▶ Strains of striking, **3B**

Chicago Tribune

Business

TUESDAY, AUGUST 5, 1997

Child-care needs expand for women

Moving women off welfare and into the work force requires improved access to child care during non-standard work hours. **Carol Kleiman, Page 2**

THE UPS STRIKE: EFFECTS ARE FELT QUICKLY

Customers begin to scramble

Whether it's for Beanie Babies or heart surgery kits, companies seek new delivery route.

By Susan Chandler
TRIBUNE STAFF WRITER

Beanie Babies held hostage.

That's what happened to the merchandise expected by Jim Kline, the frustrated owner of six downtown Chicago gift and souvenir shops, on the first day of the Teamsters strike against United Parcel Service of America Inc.

Kline's company, Accent Chicago Inc., sold out of the cuddly creatures that send kids berserk weeks ago. A new shipment via UPS went out late last week from a warehouse in Oak Brook, but its whereabouts remained a mystery Monday.

■ Full coverage on the strike and its impact, **Page 4**

"We could have sent our own van for them," moaned Kline, who figures his delivery costs will triple as long as the strike is on.

The first full nationwide strike against UPS brought most of the company's big brown trucks to a halt Monday, forcing thousands of U.S. businesses to scramble for other ways to ship their goods and supplies.

And there's no end in sight. Talks remained recessed between the Teamsters and UPS, which ships 80 percent of the nation's packages. President Clinton virtually ruled out federal intervention, saying the strike currently doesn't constitute a national emergency.

But if the strike stretches beyond three or four days, "a lot of firms will find they have to shut down production," warned Michael Evans, economics professor at Northwestern University's J.L. Kellogg Graduate School of Management.

Many companies, especially manufacturers of durable goods, today rely on so-called just-in-time inventory systems. "They don't have the stock they used to carry. Things will get worse the longer it lasts," Evans said.

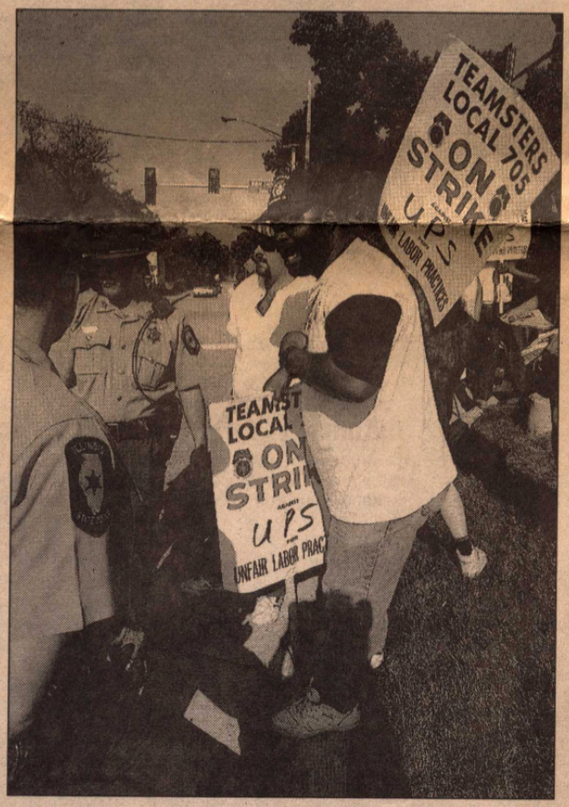
The work stoppage already is forcing many businesses that depend on UPS to take unusual measures.

For example, Crate & Barrel, the upscale housewares and furniture retailer, rented two trucks to take its pack-

SEE UPS, PAGE 4

Tribune photo by Charles Osgood

For Federal Express, the strike has pushed business to nearly 4 million packages a day, the same as in the holiday season.



Tribune photo by Karen Engstrom

Ken Townsend pickets outside the UPS facility in southwest suburban Hodgkins. "We're looking for better benefits, we're looking for full-time jobs and a livable wage," he said.

THE STRIKERS

Part-timers want raise and 'respect'

By Jon Bigness
TRIBUNE STAFF WRITER

With all the cars lined up alongside the road, the tree-lined street in Willow Springs looked Monday like the entrance to the site of a big summer picnic.

Indeed, there were lots of people lying in the grass, cooled by the shade, and enjoying the spectacle before them. Only they weren't watching a softball game.

"Shut down Big Brown!" dozens of striking UPS workers chanted, while waving signs and pumping their fists in the air.

"Show me the money!" was another common cry.

Emma Love, a belt attender who earns about $120 a week, said workers won't stand to be called "underpaid slaves," a play on UPS, any longer. "We want more money," she demanded.

The picketers gathered outside the gates of the largely idle Midwest sorting center, which is located in the adjacent southwest suburb of Hodgkins, after negotiations between Atlanta-based United Parcel Service of America Inc. and the Teamsters union broke down late Sunday night.

The Hodgkins facility has more than 5,000 union workers, mostly part-time employees. Workers like those here are at the center of the labor impasse between UPS and the Teamsters. The union is seeking to convert thousands of part-time workers to full-time jobs; the company has balked at its demands.

These were the diehards, ready to battle management for higher pay, better benefits and safer working conditions. Most of the striking UPS employees earn about $8.50 an hour and say they've been waiting for a decent raise for years.

"It's the whole ideal of respect," said Alphonzo Lawford, an unloader. "They offered us a 30-cent raise. That's an insult."

He's pushing for a $2 raise and a safer work environment.

UPS officials, huddled with

SEE STRIKERS, PAGE 4

A rike against Anheuser-Busch in the mid-1970s ased customer flight and market share loss to Miller Brewing Co. and G. Heileman Brewing Co.

UPS: Brownout

"The entire transportation industry would be challenged to absorb even a portion of the UPS business," says the spokesman for a competitor.

THE CUSTOMERS

Walkout could drive clients away

By Jim Kirk
TRIBUNE STAFF WRITER

It was 1976 and Anheuser-Busch, then the No. 1 beer company in Chicago, suffered a strike, causing the huge brewer to limit its supply and thereby infuriate bar owners and beer retailers.

So what did tavern owners and retailers do? They sought more beer from G. Heileman Brewing Co. and Miller Brewing Co., and St. Louis-based Anheuser has been looking to regain its market share in Chicago ever since.

Although different from the UPS strike, marketing executives are likening UPS' situation to that of the Anheuser-Busch strike in the mid-1970s.

Once customers jumped from Anheuser-Busch, in many cases, they didn't come back. And as UPS scrambles to find ways to serve its largest clients during the current strike, the prospect of losing some of them for good has to weigh heavily on the minds of executives.

"It absolutely could damage their brand," said Jim Lucas, director of planning and research at the Chicago-based marketing firm Frankel & Co. "They are selling reliability and dependability. If you had disruption in your phone service, that would damage your impression of the phone company."

While the public may have an easier time finding alternate shippers, some of the largest corporations that UPS handles, such as General Motors, may find it difficult to find alternatives quickly.

UPS began scaling back its advertising two weeks ago during the labor talks and pulled all service-type advertising last Thursday.

The lone fact that companies may not be able to find alternative shippers may infuriate current UPS clients. And, UPS may find it difficult to woo them back once the strike is over.

"They are in a particularly difficult situation because their main customer is not my mother or your mother," said Ken Love, vice president with New York brand image consultant Lippincott & Marguiles.

Love had worked on UPS' brand assessment while at another company in the early 1990s.

"Their customer is someone like General Motors which sends things globally," he added. "Those companies are not to be messed with."

But even in the case of the average consumer, a strike could damage UPS' reputation. Because consumers view strikes as something that could have been avoided, they tend not to be as forgiving.

And since delivery companies are selling fast, reliable service, any kind of slowdown could do damage to a company's long-term image.

"The problem is underscored in a business that relies on reliability as the thing you sell," said Thomas Sharbaugh, president of the Chicago-based marketing firm The Leap Partnership. "The other potential pitfall you face is allowing your customer to sample your competitor. That is never good, no matter what business."

So what is the company likely to do? They are likely to pump a lot of advertising into the airwaves once the strike is over.

"I think a lot depends on the level of strength of the bond with customers at the moment," said Leap's Sharbaugh. "Absolutely, any way you slice it, there is a need for good, solid, clear, non-arrogant communications dealing with the problem. You certainly can't take the consumer for granted."

UPS said aside from an open letter that it ran in USA Today and other large metropolitan newspapers explaining what consumers can expect, it doesn't have other major ad plans right now.

Reuters photo

Teamster and striking UPS driver Jacob Frank Jr. gives thumbs down to non-union employees crossing the picket line Monday at the UPS facility in Columbus, Ohio.

THE GOVERNMENT

Law limits any presidential intervention

By Glen Elsasser
WASHINGTON BUREAU

WASHINGTON—Even if he so desired, President Clinton's ability to temporarily halt the United Parcel Service strike remains sharply restricted by federal law.

Marvin Gittler, a Chicago labor attorney, explained Monday that the chief reason for the difference was historical.

"Federal Express began as an airline company with some trucks," he said, "while United Parcel, which now operates air-

Two conditions must be satisfied, however, before such an injunction can be issued: The strike must affect a substantial part or an entire industry engaged in interstate commerce, and the strike "will imperil the national health and safety."

THE COMPETITION

Volume picks up, and may rise sharply

By Melita Marie Garza and Terry Wilson
TRIBUNE STAFF WRITERS

Arlington Heights Postmaster Mark Stephan drew up a special appointment sheet Monday to accommodate businesses that ordinarily use UPS for shipments.

He had readied for a potential glut of customers to make deliveries at the loading dock. But by 3 p.m., his appointment calendar—and the loading dock—were mostly vacant.

Meanwhile, at the special window set up for patrons with more than five packages, not a single person stood in line.

"We've had call, after call, after call," Stephan said. "But a lot of businesses are waiting, hoping that they'll be able to make their usual deliveries through UPS in a couple of days.

"Later this week, it could be a different story," said Stephan, who said calls for pickups had doubled since Friday.

The UPS strike, which began late Sunday and promises to lead to millions of dollars in losses for the shipper, could be a windfall for companies capable of picking up the extra business.

But no one, not even the U.S. Postal Service, has the extensive network and ground package delivery system that UPS does.

"Given the sheer volume that UPS normally handles on a daily basis, approximately 12 million deliveries, the entire transportation industry would be challenged to absorb even a portion of the UPS business," said David Fonkalsrud, a spokesman for DHL Worldwide Express.

The strike has had a significant impact on San Francisco-based DHL, whose business is up 50 percent since last week, Fonkalsrud said, noting that DHL focuses more on international air express than domestic ground shipping.

For Memphis-based Federal Express, the UPS strike means "it's Christmas in August," said spokesman Jess Bunn.

Federal Express normally handles about 3 million packages a day, with the volume expanding

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Law limits any presidential intervention

By Glen Elsasser
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WASHINGTON—Even if he so desired, President Clinton's ability to temporarily halt the United Parcel Service strike remains sharply restricted by federal law.

The National Labor Relations Act, which covers the UPS dispute, allows the president to seek an injunction against a strike only if the labor action threatens the nation's health or safety.

Ironically, Federal Express Corp.—a chief UPS competitor—is covered by a different statute, the Railway Labor Act.

Under this law, which was changed in the 1930s to include airlines, the president has the authority to directly order strikers back to work.

Marvin Gittler, a Chicago labor attorney, explained Monday that the chief reason for the difference was historical.

"Federal Express began as an airline company with some trucks," he said, "while United Parcel, which now operates airplanes, was initially just a trucking company."

Earlier this year, according to Gittler, the National Labor Relations Board determined that UPS should remain under its jurisdiction. The board based its decision on the fact that trucking still dominated UPS' operations.

As amended by the 1947 Taft-Hartley Act, the National Labor Relations Act requires the president to seek an injunction from a U.S. District Court in order to stop a strike.

Two conditions must be satisfied, however, before such an injunction can be issued: The strike must affect a substantial part or an entire industry engaged in interstate commerce, and the strike "will imperil the national health and safety."

An injunction, however, is limited to 80 days, during which the parties must work with federal mediators to settle their dispute. If no settlement is reached in the 80-day "cooling-off period," the union may resume the strike while the president seeks help from Congress.

According to Michael Gottesman, a professor at the Georgetown University Law Center, no president in recent years had invoked these provisions of the Taft-Hartley law.

Tribune photo by George Thompson

UPS employees on strike at the company's facility on Hicks Road in Palatine show their approval Monday to passing motorists honking their horns in support. The Teamster-represented employees walked out late Sunday.

UPS

CONTINUED FROM PAGE 1

ages to the U.S. Postal Service for delivery. But the post office won't accept packages heavier than 70 pounds, so lots of Crate & Barrel stuff is stranded.

"The bigger packages are basically in limbo right now. We have no way to send them," said Barbara Standish, catalog director for the Northbrook-based retailer, which normally ships between 4,000 and 6,000 packages a day this time of year. Another problem for Standish: Getting UPS to remove four of its empty trucks clogging Crate & Barrel's docking bays.

Kohler Co., the Wisconsin-based manufacturer of bathroom and kitchen products, also is feeling the strike's effects. Although Kohler is trying to make shipping arrangements with other carriers, "They're not all that cooperative right now because they have other business," said spokesman Peter Fetterer.

But the disruption is particularly painful for smaller businesses, many of which can't afford higher shipping costs.

Chef's Catalog, a Northbrook-based housewares retailer, says that the strike already is denting the bottom line and straining customer relations.

It has begun using the Postal Service's priority mail, which costs about $1.30 more for a 5-pound package than UPS charges.

"We're dealing with upscale customers. We've spoiled them," said Eric Lockwood, general operations manager for Chef's Catalog, which distributes a catalog nationally and also owns housewares stores in Chicago and Highland Park. "We've had a couple of customers who are furious, who've said we should accommodate them whether there's a strike or not," he said.

One big UPS customer, Spiegel Inc., is standing pat, hoping the two sides resolve their differences. The Downers Grove-based catalog company continued to assemble orders Monday, but management decided not to use alternate shippers yet, so orders just piled up.

"Diverting packages now isn't in the best interest of customers," said spokeswoman Allison Scherer, who said the $3 billion company is monitoring the situation on an hour-by-hour basis. If the strike continues, Spiegel has contingency plans that could include the post office, she said.

So far, the post office and so-called less-than-truckload shippers appear to be the major beneficiaries of the strike.

Lands' End, the catalog company in Dodgeville, Wis., began shifting its packages to priority mail Monday and warning customers to expect delays. "In general, customers are very understanding. They know it could take a few extra days," said spokeswoman Anna Schryver.

Allegiance Corp., the $4.4 billion medical-products giant near Waukegan, is shifting its critical shipments of things such as open-heart surgery kits to other companies and expanding use of its own fleet. "As far as we know, everything is going smoothly," said spokesman Geoffrey Fenton.

For Allegiance's time-sensitive packages already in the UPS pipeline, the Atlanta-based company has promised that its shipments will receive priority, Fenton said.

Despite the disruptions, few companies appeared ready to forsake their longtime UPS relationship.

Herb Laney, president of Playboy Enterprises' catalog division, said even though he's had to divert shipments to priority mail, he hasn't lost faith in the Brown Empire. "We will be back as a customer. I know we will," he said. "They're dependable."

Tribune staff writers Genevieve Buck, Sallie Gaines and Greg Burns contributed to this report.

THE ALTERNATIVES

Many shippers imposing limits on new customers

Federal Express is barring new businesses from opening accounts and existing businesses from increasing shipments. It has moved up pickup times by two hours at dropoff locations. At its business centers, customers are limited to 10 packages daily. Normal pickups from clients are being made. For information, call 1-800-463-3339 or contact the World Wide Web site, www.fedex.com.

■ Emery Worldwide is giving its established customers priority but will try to handle new clients. It delivers business-to-business and carries items of 5 pounds or more. Call 1-800-443-6379 or contact www.emeryworld.com.

■ Airborne Express is not accepting new customer accounts, but will carry additional packages from its existing accounts. Call 1-800-247-2676 or contact www.airborne.com.

■ RPS Inc. is not taking new domestic customers but is taking new customers who want to ship merchandise outside the U.S. Otherwise it is servicing customers who signed up for service by July 1 only. Call 1-800-762-3725 or contact www.shiprps.com.

■ U.S. Postal Service is asking anyone with five or more packages to call 1-800-485-8727 between 8 a.m. and 8 p.m. to make a service appointment. It cautions people mailing packages that weigh more than 1 pound to bring them to a post office and hand them to a postal worker. Otherwise, the packages will be returned to them in accordance with FAA security guidelines. For more information, contact www.usps.gov.

■ DHL Worldwide Express has its airplanes flying double routes. Even so, it is not accepting new domestic business from shippers who do not have established accounts unless the destination is outside the U.S. For more information, call 1-800-225-5345 or contact www.dhl.com.

Compiled by Terry Wilson

DHL, whose business is up 50 percent since last week, Fonkalsrud said, noting that DHL focuses more on international air express than domestic ground shipping.

For Memphis-based Federal Express, the UPS strike means "it's Christmas in August," said spokesman Jess Bunn.

Federal Express normally handles about 3 million packages a day, with the volume expanding to almost 4 million during the holiday season, Bunn said. "We are approaching those levels now," Bunn said.

Emery Worldwide, of Redwood City, Calif., primarily a business-to-business heavy-weight shipment company, has added some staff to its Dayton, Ohio, hub, which handles most of Emery's processing, said company communications specialist Katie Madden.

"We're definitely seeing new business," Madden said.

Roy Liljebeck, executive vice president and chief financial officer for Seattle-based Airborne Express, said it was expecting more volume from existing customers who might have sent some of their packages UPS.

But, he noted, most of what UPS handles is deferred ground deliveries that take three or four days. "It's not something that people are going to expect an air express carrier to handle for them every day," Liljebeck said.

At Coraopolis, Pa.-based RPS Inc., which ships more than 1 million packages a day, volume is up about 20 percent, said press coordinator Sandy Weinheimer.

RPS has been planning for the UPS strike since March and has added staffers, Weinheimer said.

At the Postal Service's processing center in Palatine, postal workers braced Monday for a deluge of Express Mail packages.

In Washington, U.S. Postal Service representative Sandra Harding said Express Mail nationally was up 20 percent on Friday.

At the Arlington Heights Post Office, Postal Service trucks breezed in and out of the loading dock routinely.

"It's pretty dull right now," said one postal worker. "But in a couple of days, if this keeps up, it will look like a panic here."

Tribune staff writer Steve Stark contributed to this report.

Strikers

CONTINUED FROM PAGE 1

security guards in a corner far from the crowd, declined to comment on the strike.

Meanwhile, strikers stood at the main entrance of the UPS facility cheering on motorists who honked their horns in support of the work stoppage. They cursed, booed and berated those who ventured into the facility.

Some got carried away. Two striking UPS workers were arrested and charged with disorderly conduct at the Hodgkins site, police said.

The workers allegedly were blocking early morning truck traffic into and out of the facility, a central terminal for UPS.

" Would you be able to live on $120 a week?" growled Ken Townsend, a part-time sorter with big, beefy arms and wide shoulders.

He spoke of single parents who struggle to pay bus fare and babysitters on UPS salaries.

"We're looking for better benefits, we're looking for full-time jobs and a livable wage," Townsend said.

Other strikers were content to use their picket signs as pillows. As noontime approached, strikers reclined on the grass under shade trees and engaged in lighthearted banter with their peers.

Most of those away from the din were cautiously optimistic. They figured they'd go back to their jobs in a day or two, once UPS realized how much business it's losing to the walkout.

"I give it two or three days," said Willie Turnage, who drives a UPS truck on weekends. "They can't afford it. They're losing $5 million a day."

Townsend, the big guy with a booming voice, hoped for a long strike. "The longer it is, the shorter their pockets," he said.

To the amusement of striking workers, the only people working inside the facility were the supervisors who regularly barked out orders to speed up, or hurry back from a 10-minute break.

Nearly every striker had some story of how a supervisor wrote them up for coming back from break a little late. Others showed off scars they received hustling to load trucks, complaining that UPS refused to give them time off to heal. They all talked about the difficulty making ends meet on a tight budget.

"I feel like we're out here doing the right thing for the right reasons," said Annette Williams. "It's a shame we do all that full-time work for part-time hours."

For Linda Borucki, the day was a chance to give her 8-year-old son, Cyril, a learning experience about American labor.

"I want to go inside of where you work," pleaded Cyril, tugging on his mother's arm, toward the hazy distribution center, where Borucki works as a part-time loader.

"We can't do that," explained Borucki. "That would be crossing the line."

Cyril stared for a few moments at the partially-deserted UPS plant, and then agreed instead to go sit in the shade.

Evan Osnos and Tribune wires contributed to this report.

■ *The UPS strike has focused new attention on the growing number of Americans who struggle to earn a decent living on a part-time paycheck, staff reporters* ***Bryan Smith*** *and* ***Maureen O'Donnell*** *write.*

Part-time job, full-time pressures

ROBERT A. DAVIS/SUN-TIMES

Robert Cassano of Palos Hills, a part-time UPS worker, says a full-time job would improve things for him and his wife: "It's not a life or death thing. But if it was full time, we might be able to have the child we've talked about."

Robert Cassano is doing all right. His ends meet. The Palos Hills apartment he shares with his wife may not be swanky, but it's not bad. Two bedrooms in a quiet neighborhood, decent furniture, a plump orange tabby to curl around his feet.

It would be perfect—if only he had the time to enjoy it. If he didn't have to work two part-time jobs—one at United Parcel Service, one officiating soccer games. If his wife didn't have to spend long hours working at the small salon she runs with two other women.

As he sits on a hill near the Willow Springs UPS station Wednesday, he allows his mind's eye to wander to a life not spent scrambling for work hours, a life working one job, a life of punch in, punch out, eight hours.

Kelly Blake
Toughed it out

"My entire economic situation would turn around," he says. "No doubt. I'm not dying here. It's not a life or death thing. But if it was full time, we might be able to have the child we've talked about. At least the economic issue of that would be much easier to deal with."

The reality is, Cassano, 36, is one of millions of Americans who make ends meet with paychecks from part-time jobs.

It's a phenomenon that is growing as fast as the U.S. economy. Experts say it's a direct result of a shift from manufacturing to service jobs. It's also the main issue in the strike against a company that is made up of about 60 percent of such workers: UPS.

Locally, the number is even greater. Part-timers make up 70 percent of UPS' Chicago work force, largely because of the Willow Springs plant, the largest package handling facility in the world.

The types of part-time workers are as varied as their schedules.

For Cassano, his 25- to 30-hour workweek holds some benefits: He can do other things, such as play in his band, Eden, at night. He can referee soccer games, a job he loves.

But it also limits his time with loved ones. And it puts far fewer dollars in his pocket. He's making it OK. But not all part-timers say they're as lucky.

Five days a week, Tammisha Jordan rises at 1:30 a.m. to make her 3 o'clock scanning job at the Jefferson Street UPS center.

Five hours later, the single mother's work is done. At UPS.

A brief visit with her young daughter, then it's off to a second part-time job as a clerk. Then home, to steal a few hours with her child before bedtime. And the treadmill starts all over again.

She would dearly love to work one full-time job, to have a set schedule that would allow her more time for her daughter, that would give her, for once, sane hours, full benefits. But for Jordan, 24, a disjointed schedule comes with the part-time job.

"I stick with it because of the benefits," she says. "I haven't found anything" that offers a similar package while paying $10 an hour. "But it's very hard."

Kelly Anglim agrees. With only 15 hours a week at the Willow Springs UPS facility, she lives with her grandmother in Burbank and "eats noodles a lot," she says. She has struggled to keep her 4-year-old in clothes and food, but she's sticking with UPS.

"I can't give them everything they want, everything they deserve," working so few hours, she says, "but I need the job for the benefits."

Experts say the UPS strike could have far-reaching implications for employers who have come to rely on part-timers such as Jordan and Anglim.

For years the public has observed Big Business with a hands-off attitude, said Chris Tilly, author of *Half a Job: Bad and Good Part-Time Jobs in a Changing Labor Market.*

But with the UPS strike, "There's a chance [labor] could capture a lot of public sympathy," Tilly said. Other major companies are watching the showdown to see whether it affects public policy, Tilly said.

Some state legislatures have begun to consider proposals to require equal pay and benefits for part-timers if they do the same job as full-timers.

Kelly Blake, 33, is one of the lucky ones: a full-time UPS employee. But it took her seven years to get there. After three years working full time, the Chicago resident does not want to go back.

ROBERT A. DAVIS/SUN-TIMES

Kelly Anglim says she needs her part-time UPS job for the benefits.

"I was living in a two-bedroom apartment," she says. "I had to live with my mother. I was working two jobs and going to school. I really worked hard, but it took a lot from the kid."

The kid is her 15-year-old son, and Blake remembers how hard it was trying to raise him on the $100 a week she made as an $8-an-hour package sorter.

She took whatever other work she could find—as a receptionist in a doctor's office for a while, doing taxes for H&R Block.

She stuck with it for seven years, for the same reason many UPS workers seem to: the hourly wage is good, if not spectacular, the job includes full benefits, and it holds the possibility of full-time work at $20 an hour.

Blake made it. Three years ago, she was made a package car driver and bumped up to full wage. Today, she owns a three-bedroom home. She spends time with her son. She doesn't worry about bill collectors.

"I used to have to call people—I need an extension, I need an extension," she says. "Now I don't have to worry about paying my light bill. . . . I can put money in the bank."

UPS managers say that rank-and-file workers need to understand that it takes awhile to get hired full time. Dan McMackin and Geoff Harker, both UPS spokesmen, said they started out part time at UPS as college students and had to wait several years before they could get full-time work.

"If somebody is under the impression that they're going to work full time and support a family

SOURCE: U.S. Bureau of Labor Statistics

of six, that's not the job that we're offering," McMackin said. "It's a matter of waiting in line by union rules in order to get that full-time job."

Some companies have made part-time jobs their strength.

Starbucks, the nation's leading coffee retailer, relies heavily on part-time employees. It's an attractive job for students, aspiring artists and others because it offers full benefits to people who work more than 20 hours a week, said spokesman Chris Gimbl. Part-timers are even offered stock options.

But the increasing incidence of part-time work "is really just the tip of the iceberg" in a bleak labor picture, Tilly said. "Jobs are less secure, hourly wages have dropped 13 percent since 1973."

Sitting in a folding chair Wednesday, the sprawling Willow Springs plant behind him, Cassano can't help wondering what will happen. To him. And to the other UPS part-timers. He's doing all right, he says. He'd just like to do a little better.

Teamsters call UPS strike

By Mary Ellen Podmolik
and Maureen O'Donnell
Staff Reporters

The Teamsters' walkout on talks with United Parcel Service late Sunday night set up a strike this morning that will idle more than 185,000 workers—15,000 in Chicago—and cripple the package delivery industry.

UPS officials expressed disappointment that the Teamsters had broken off the negotiations in Washington and said the company had an offer on the table but no one to talk with.

Meanwhile, companies that would be affected by a strike, ranging from competitors to customers, made contingency plans in case the union followed through on its "drop-dead" strike deadline of 11 p.m. Sunday Chicago time.

UPS' 15,000 Chicago area workers are represented by Teamsters Locals 705 and 710, both of which negotiate contracts with UPS separate from the national talks. The two locals were expected to continue negotiating with the company this week, but Local 705 was expected to join the strike and Local 710 to honor the picket lines.

A Local 705 official said late Sunday that phone trees were being set up to notify workers of picket duty. The plan was to picket through the night, said 705's secretary-treasurer, Gerald Zero.

The company "could lose quite a few customers" to Federal Express or the U.S. mail, said UPS employee John Brown, 24, of Hazel Crest, who works at UPS' large Willow Springs facility.

At the request of a federal mediator, the two sides had resumed negotiations Sunday evening, following 15 hours of talks over two days. Issues on the table included wages, the company's growing use of part-time employees and subcontractors, and changes to the pension and health plans. On average, UPS workers make about $20 an hour.

Emile Wamsteker/Associated Press

Delivery trucks sit at United Parcel Service's midtown Manhattan distribution center in New York on Sunday. The Teamsters walked out of contract talks Sunday night.

About 2,000 UPS pilots represented by the International Pilots Association also have said they would honor picket lines.

John Calhoun Wells, director of the Federal Mediation and Conciliation Service, said earlier that the union had apparently ruled out extending the strike deadline.

Teamsters President Ron Carey granted a previous deadline extension at Wells' request.

Competitors of UPS were making preparations to serve their own customers first, before trying to accommodate UPS customers. But given UPS' size and hold on the industry—it handles 12 million packages daily, or 83 percent of packages shipped by surface delivery—it is unlikely that other companies could handle the extra volume.

Businesses that rely on UPS were making provisions, too. Lillian Vernon, a $240 million specialty catalog company, was telling customers Sunday that it would use the U.S. Postal Service for its deliveries, and customers who had already paid for expedited UPS delivery would receive refunds. Downers Grove-based Spiegel Inc. also was using another company, but was warning customers that deliveries may be slower than usual.

Contributing: *Lorraine Forte*

SHIPPING OPTIONS

United Parcel Service: To track packages and for an update on labor negotiations, call (800) 742-5877. Packages can be tracked on the UPS Web Site: *www.ups.com.*

WHAT COMPETITORS PLAN TO DO

FedEx: Cutoff times at drop-off locations are two hours earlier than usual. No new accounts opened and no new pick-up stops. Money-back guarantee temporarily canceled.
(800) 463-3339; *www.fedex.com*

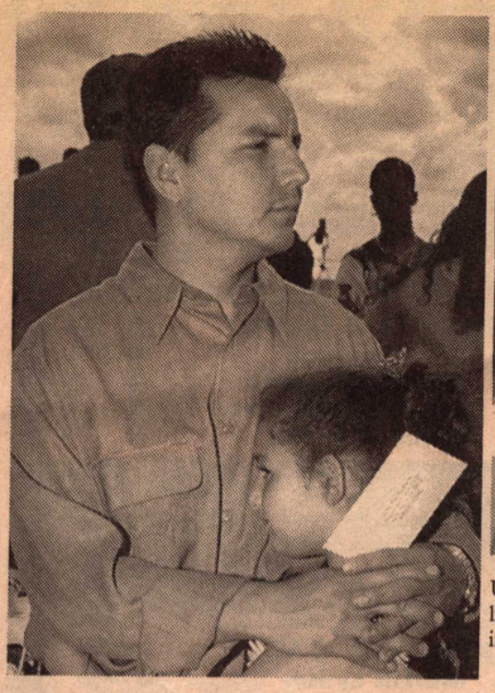
Emery Worldwide: Will try to accommodate business-to-business delivery of packages 5 pounds and heavier.
(800) 443-6379;
www.emeryworld.com

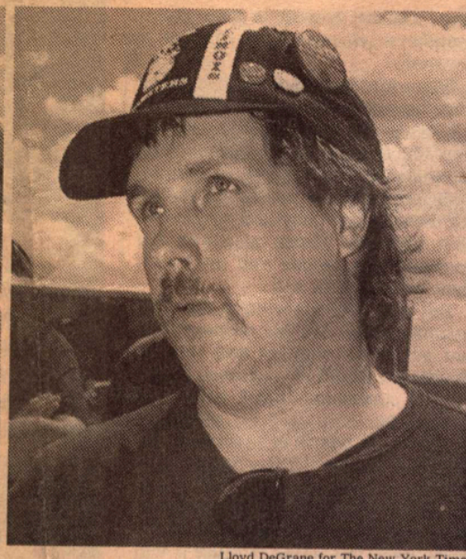
RPS: Not accepting new customers; prefers instead to serve current clients rather than risk service by overloading its system.
(800) 762-3725;
www.shiprps.com

Airborne Express: Will take extra packages from its customers that also use UPS, but extra packages will go by ground.
(800) 247-2676; *www.airborne.com*

U.S. Postal Service: Has contingency plan to increase its package delivering capability without compromising mail delivery.
www.usps.gov

THE U.P.S. WALKOUT: Day 2, and No Movement





Lloyd DeGrane for The New York Time

United Parcel Service workers were on picket lines yesterday in Willow Springs, Ill., including George Sanchez, left, with his daughter, Jasmine. Laura Pisciotti, above, travels more than an hour to work. Mike McCartan, right, vowed to fight for more full-time jobs.

THE WORKERS

Angry Voices of Pickets Reflect Sense of Concern

By DIRK JOHNSON

WILLOW SPRINGS, Ill., Aug. 5 — The picket signs bobbed like kites in the wind. Clenched-fisted truckers along 79th Street blared horns of solidarity. The striking workers chanted, vowing never to surrender.

But there was more worry than bravado in the voice of Linda Borucki, who has been a part-time worker at United Parcel Service for 13 years.

"You look around and it's hard to find real full-time work anymore," said Ms. Borucki, 31, who brought children's books to the picket line to occupy her 8-year-old son, Cyril. "How do people expect you to make it?"

On the outskirts of the huge U.P.S. center in this Chicago suburb, where about 70 percent of the 5,500 employees are part-timers, the striking workers sounded at times as if they were not simply taking on one company, but corporate America.

"These companies all have the formula," said Laura Pisciotti, 30, who rides two buses for more than an hour to work for $8 an hour, 20 to 25 hours a week. "They don't take you on full time. They don't pay benefits. Then their profits go through the roof."

The use of part-time workers and the pension fund are the two crucial issues in the stalemate in contract talks between the International Brotherhood of Teamsters and U.P.S. The union says in a booming economy, the company should be creating more full-time, higher-paying jobs.

But in a quick-turnaround business, U.P.S. sees the part-timers as an economic lifeline.

Those workers were walking the picket line today, a sunny day with just a hint of autumn chill.

Ms. Borucki, drives an older-model car and shares a one-bedroom apartment with her son in Burbank, Ill., a working-class suburb. Her son takes the bedroom; she sleeps in the living room.

"Where would we cut back?" she asked.

A woman at her side, Leatha Hendricks, 36, spoke up in anger.

"People don't even look at workers as human beings anymore," Mrs. Hendricks said. "My name is Leatha, but to them, I'm just a machine. All they care is that you've got some strength in your back. And when your back goes out of whack, it's over. You're gone."

Most of the strikers said they had very little financial reserve to endure a long strike.

George Sanchez, who came to the United States from Mexico as a child in 1979, said he could last two weeks, at most, before looking for another job.

"I'll have to take something," Mr. Sanchez said. "But most jobs are not union. And they're worse than this."

Mr. Sanchez said that as a part-timer he earned $8 an hour, for 20 to 25 hours a week, but had little prospect for advancement. He also fixes cars in his Cicero neighborhood.

"I don't have insurance for my kids," he said, as two of his three children, Jasmine, 8, and Kiara, 3, stood nearby.

Mr. Sanchez's father came to Chicago looking for work, taking a job at a Zenith factory. But he lost his job when Zenith moved its production to a plant to Mexico.

Mr. Sanchez said U.P.S. was unwilling to pay more, or to give workers more hours. And the job atmosphere was tense, he said.

"They push and push," Mr. Sanchez said, "always on top of you."

Ms. Pisciotti, the single mother of a 3-year-old daughter, said she fell recently and hurt her arm, and a supervisor pushed her to keep working.

"He just yelled, 'Come on — get going, get going,' " she said.

While most of the newer workers make about $8 an hour, some longer-term ones make $14 an hour. A small minority make nearly $20 an hour.

The disparity stems from a two-tiered wage scale that the union accepted in the 1980's, and now regrets. The differences in wages for people doing the same jobs has sometimes caused dissension within the ranks.

> Short on financial reserves and long on frustration.

Mike McCartan, 38, a part-time worker for 10 years, said he could survive financially only because his wife had a job in a grocery store.

The father of 5-year-old twins, Mr. McCartan is a tall, square-shouldered man who wore a sticker on a T-shirt that pledged, "We'll fight for more full-time jobs."

He said the company had been dangling the prospect of a full-time job for him for many years.

"You can't feed your family on promises," Mr. McCartansaid. "You can't make the house payment on promises."

The striking workers carefully watched a car cross the picket lines about every 10 minutes. When the face inside the car was familiar — a neighbor or a friend — a gasp would go up, and then jeers.

"No. Don't do it," said Erma Young, a 45-year-old striking worker, as she spotted an acquaintance crossing the line.

Ms. Young shook her head, then cast a look of affection toward some fellow strikers.

"Don't matter if we're white, black or purple," she said, "just matters that we stick together."

A teamsters official stopped at the picket site to rally the strikers.

"We've had reports that some people are going inside, working their shift," said Mike Marasovich, the teamster official, "then coming out and signing, as if they'd been on the picket lines."

As boos rang out, Mr. Marasovich told the strikers: "We need you to look out for each other. Somebody pulls that, you isolate them. You deserve better than that."

Kathy Gedeon, a shop steward who has been a part-time U.P.S. worker for 23 years, said teamster members had taken a more active role in the last few years, as the union has become more democratic.

"People are just now learning what a union can do for them," said Ms. Gedeon, who has a master's degree in psychology, and works a second job as a counselor at a homeless shelter. "We now feel like we have a say-so."

Strikers called today for keeping the heat on upper management.

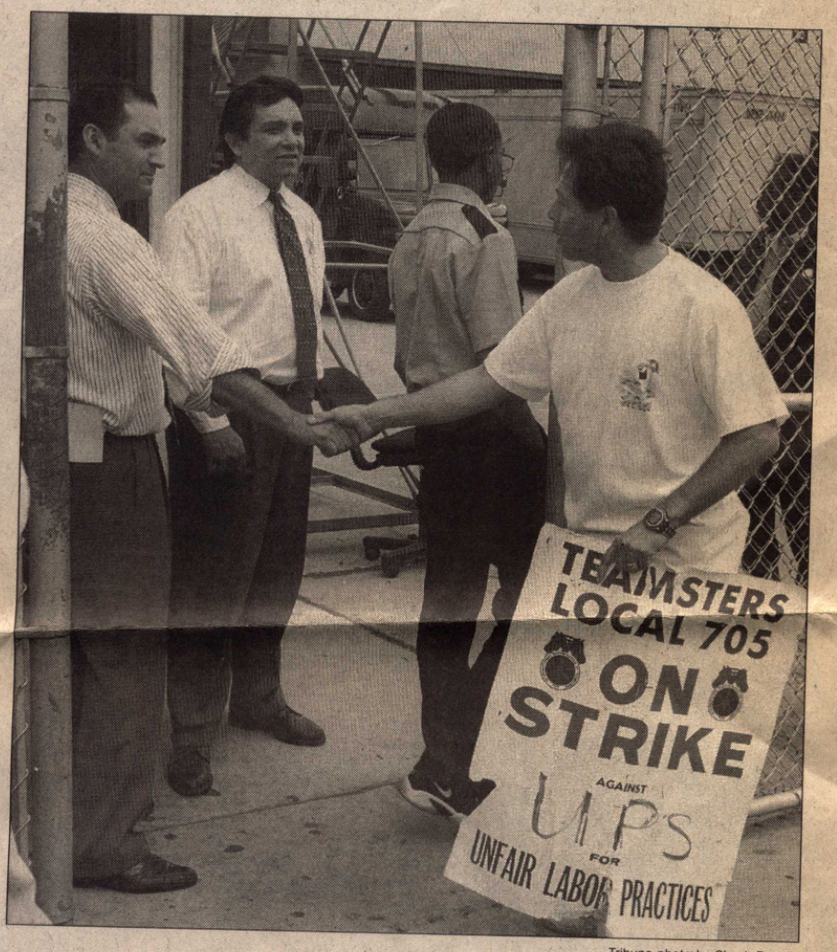
Marilyn Lange, a 43-year-old part-timer worker, raised aloft a sign that said, "The men in suits are making all the loot."

Chicago Tribune

Business

FRIDAY, AUGUST 22, 1997

UPS and Chicago Teamsters settle



Tribune photo by Chuck Berman

At the Jefferson Street UPS facility, striker Armengol Chavez, right, extends his hand to UPS supervisor Luis Rodriguez. Local 705 bargains independently of the national union.

Two long, frustrating days after the national settlement was reached, Local 705 is set to get the trucks rolling again.

By Evan Osnos
TRIBUNE STAFF WRITER

The brown trucks will be rolling in force again Friday after a late-night agreement between United Parcel Service and striking Teamsters Local 705.

The tentative agreement, which affects 11,000 drivers and handlers throughout the Chicago area, came after a frustrating two days of resumed negotiations in the wake of a national strike settlement forged Tuesday in Washington.

Local 705 members were instructed to remove picket lines and return to work, according to a recorded message at Teamsters headquarters.

Details of the agreement were unavailable early Friday, but company spokesman Dan McMackin said, "It aligns, for the most part, with the national agreement."

All workers were asked to return to work Friday, McMackin said, adding that the company hoped to resume full operations as soon as possible.

The settlement defuses a company plan to fly 1,000 managers into the Chicago area to man UPS facilities, McMackin said.

Union officials could not be reached for comment.

The settlement ended the frustration of workers as well businesses that depend on the shipper.

"It is uncomfortable," Sergio Moreno, a driver who has been with the company for 14 years, said earlier. He spoke as he picketed Thursday morning in front of the UPS processing plant at 1400 S. Jefferson St. "It is hard especially knowing that the customers are probably getting more annoyed [with the continuing strike]."

With the momentum of the nationwide strike dissipating, Chicago Teamsters seemed decidedly less enthusiastic early Thursday as their jobs remained frozen amid seemingly endless games of negotiating-room brinkmanship.

"I'm tired of it," said Richard Mendez, a part-timer picketing Thursday outside the Jefferson Street facility.

"I want to get to work. When the national settlement went through I thought it was over. Surprise, surprise."

Meanwhile, area businesses

SEE UPS, PAGE 4

UPS

CONTINUED FROM PAGE 1

hurt by the strike groaned at the prospect of more time without normal delivery service.

"In the past, 705 and 710 have followed suit with the national contract, and then they'd tweak it a little bit and that's what we're hoping they'll do this time," said UPS spokesman Rob Klage before the agreement, referring as well to Teamsters Local 710, which also bargains independently.

Local 710 extended its contract with the company and is scheduled to resume talks Sept. 2. In the meantime, it is honoring Teamsters picket lines.

As for Local 705, the latest round of negotiations began at 1 p.m. Wednesday and continued through the night, breaking off at 5:30 a.m. Thursday. The tentative agreement was reached at 11 p.m. Thursday at an undisclosed location after the Teamsters called to resume talks, McMackin said.

Though neither side was tipping its hand, union officials said 15 of 17 major issues had been resolved when talks adjourned Thursday.

Sources close to the talks said issues involving health benefits largely had been resolved, though details were not available.

Still, however, both sides agreed that the major sticking point remained the issue of part-time jobs.

In the national settlement, UPS agreed to create 10,000 full-time positions from part-time jobs.

"We had a proposal on the table that involved a number of [new full-time] jobs that we thought they could easily accommodate," union spokesman Paul Waterhouse said.

"They had a number that was lower than that. Their number was too low and we thought they could easily raise their number.

"Our position on the number of full-time jobs is not at all inconsistent with what was achieved at national negotiations," Waterhouse said.

If the number of full-time jobs to be created in Chicago were proportional to the figure in the national contract, Chicago would see roughly 600 new full-time positions.

There are more than 8,000 part-timers in Local 705, according to the union.

Historically, 705's independent negotiations have offered both sides a chance to tilt the deal in their favor.

Under the last contract signed in 1993, for instance, the union secured pension benefits in some cases fatter than those in the national deal.

At the same time, however, the Chicago contract also included a clause that denied new part-timers health-care benefits for their dependents until they achieve three years of seniority. Nationally, that standard varied from region to region, but generally benefits were available after two to six months.

Under the new national deal, part-timers and their dependents would receive full coverage after two months, according to UPS officials.

Strikers in Chicago have said repeatedly they would like to see the three-year delay stricken from the new contract.

AP photo

UPS driver Victor Vasco of Whittier, Calif., sorts packages after returning to his job. In the wake of a tentative settlement, many UPS workers around the country returned to work.

by the success of the Seattle-based ... Jones Lundin Associates. "Star- ... Oak Brook ...